### FINANCIAL WORKBOOK



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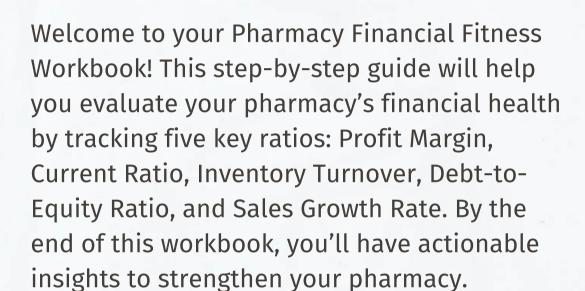
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# THE CHENSIST THE COMMUNITY PHARMACY GROWTH KIT

#### **Section 1: Profit Margin**

**How Much Are You Really Keeping?** 

#### Formula:

Profit Margin (%) = (Net Profit / Total Sales) x 100

#### **Worksheet:**

- 1. Total Sales for the month:
- 2. Total Expenses for the month:
- 3. Net Profit (Total Sales Total Expenses):
- 4. Profit Margin (%) = (Net Profit / Total Sales) x 100: \_\_\_\_\_

#### **Reflection:**

- Is your profit margin at least 20%?
- If not, what can you adjust (e.g., pricing, supplier deals, or operational costs)?

#### **Action Plan:**

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### Section 2: Current Ratio Can You Pay Your Bills on Time?

#### Formula:

Current Ratio = Current Assets / Current Liabilities

#### **Worksheet:**

- 1. Current Assets (cash, inventory, accounts receivable): \_\_\_\_\_
- 2. Current Liabilities (accounts payable, short-term loans): \_\_\_\_\_
- 3. Current Ratio = (Current Assets / Current Liabilities): \_\_\_\_\_

#### **Reflection:**

- Is your current ratio 1.5 or higher?
- What can you do to improve cash flow or reduce liabilities?

#### **Action Plan:**

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#### **Section 3: Inventory Turnover Are Your Shelves Moving Fast Enough?** Formula: **Inventory Turnover = Cost of Goods Sold** (COGS) / Average Inventory **Worksheet:** 1. Cost of Goods Sold (for the period):

- 2. Average Inventory (starting + ending inventory / 2): \_\_\_\_\_
- 3. Inventory Turnover = (COGS / Average Inventory): \_\_\_\_\_

#### **Reflection:**

- Is your turnover between 6 and 8?
- Which slow-moving products can you promote or discontinue?

#### **Action Plan:**

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#### **Section 4: Debt-to-Equity Ratio Are You Relying Too Much on Loans?** Formula: **Debt-to-Equity Ratio = Total Liabilities / Shareholders' Equity Worksheet:** 1. Total Liabilities (loans, accounts payable): 2. Shareholders' Equity: \_\_\_\_ 3. Debt-to-Equity Ratio = (Total Liabilities / Shareholders' Equity): \_\_\_\_\_ **Reflection:** • Is your ratio under 1? What debt can you pay off or refinance to reduce this ratio?

**Action Plan:** 

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#### **Section 5: Sales Growth Rate**

**Is Your Business Growing?** 

#### Formula:

Sales Growth Rate (%) = [(Current Period Sales

- Previous Period Sales) / Previous Period Sales] x 100

#### **Worksheet:**

- 1. Current Period Sales: \_\_\_\_\_
- 2. Previous Period Sales: \_\_\_\_\_
- 3. Sales Growth Rate (%) = [(Current Sales Previous Sales) / Previous Sales] x 100:

#### **Reflection:**

- Is your growth rate positive?
- What new services or products can you introduce to boost sales?

#### **Action Plan:**

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#### **Action Summary**

Summarize the actions you plan to take based on your findings:

1. Improve Profit Margin:	
2.Boost Current Ratio:	
3.Optimize Inventory Turnover:	
4. Reduce Debt-to-Equity Ratio:	
5. Increase Sales Growth Rate:	_

#### **Tools and Resources**

- **Templates:** Use a spreadsheet or accounting software to track these ratios monthly.
- **Support:** Join The Chemist WhatsApp Channel for free resources and tips.

**Remember:** A financially fit pharmacy is a growing pharmacy. Start tracking your ratios today!

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